

SOLE OIL REFINERY IN LITHUANIA SHUT BY SOVIET EMBARGO

WORSE HARDSHIP FEARED

Talk of Compromise Persists — Modest Rebuke From Bush Expected Today

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MOSCOW, April 23 — Lithuania's only oil refinery shut down tonight, its reserves exhausted by a five-day fuel embargo imposed by the Kremlin in the hope of weakening the republic's spirit of independence.

Albertas Ginbutas, the chief engineer at the Mazeikiai refinery, predicted a rapid worsening of economic hardship in the republic as factories run out of diesel fuel and liquefied gas, and as more drivers are stalled by strict gasoline rationing.

Both the Soviet authorities and Lithuania talked hopefully of compromise, but the talking was confined to rival news conferences. An official delegation from Lithuania killed time in a Moscow hotel, denied a Kremlin audience because it was not authorized to make concessions.

[President Bush is expected to announce Tuesday that he will take modest steps to express his displeasure over the crackdown, Administration officials said in Washington. Page A14.]

Kremlin Reasonableness

President Mikhail S. Gorbachev's spokesman today confirmed that the Kremlin had proposed a temporary freeze on Lithuania's declaration of independence, issued on March 11, as a starting point for negotiations, and that Moscow would not demand that the measure be formally renounced. The Lithuanians reported such an offer from Moscow last week and said it might form the basis of a compromise.

"We don't insist that you rescind everything and nullify what you have adopted," said the presidential spokesman, Arkady A. Maslenikov. "We insist on one thing: You come to the fold, you start discussions on the basis of the Constitution. What you do with the laws, with the declarations you have

Lithuania's Refinery Shut; Worse Hardship Is Feared

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announced, that is your business."

Lithuanian officials, in turn, proclaimed their willingness to compromise, saying a temporary moratorium on their disengagement from the Soviet Union was negotiable, but they insisted that they would make no concessions as a condition for talks.

Moscow says that Lithuania can have its independence, but only by following the ground rules laid out in a new secession law enacted early this month.

The law requires referendum approval by two-thirds of the republic's eligible voters, a transition period up to five years during which the republic must satisfy the financial and territorial claims of other Soviet jurisdictions, and final approval by the Soviet Congress of People's Deputies, a legislature dominated by Russians and others opposed to Lithuanian independence.

What Moscow Might Concede

Kremlin officials have hinted that they would be willing to accelerate the transition period and in the meantime give Lithuania wide latitude in its economic and political life, if only the republic agreed to play by the rules.

Lithuanian officials — like those in the neighboring Baltic republics, Estonia and Latvia — refuse to follow the new law, saying they were annexed in 1940 and thus are not legally bound by the Soviet Constitution.

In any case, the Lithuanians contend that the law creates so many hurdles and gives Moscow so much leverage that it would be almost impossible for a republic to secede if Moscow was bent on preventing it.

Confronted with a tightening economic squeeze, Lithuanian officials have alternated between cries of alarm and defiant statements of determination.

Kazimiera Prunskiene, the Lithuanian Prime Minister, today announced plans to open Lithuania and its Baltic offshore regions to international oil exploration as a long-term way around the Soviet embargo.

As for the immediate shortages, she said in an interview at a Moscow airport, the republic has opened a bank account in Stockholm and obtained a \$100,000 loan from the European Investment Bank.

But Reuters reported from Brussels that an official of the European Community's development bank denied that such a loan had been approved.

In any case, the money would buy only enough imported oil to sustain the republic for 30 minutes at its pre-embargo rate of consumption, and Mr. Gorbachev's spokesman made it clear today that Moscow would decide whether or not to permit oil deliveries to Lithuanian ports.



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Lithuania's refinery at Mazeikiai closed after it ran out of oil.

Lithuanian officials have estimated that the republic has enough fuel to last about two weeks even with strict conservation measures. Some facilities report stockpiles sufficient for a month or longer, but at some factories stocks are so low that work has already stopped or been slowed to a crawl.

Lithuanians say that Moscow has begun a total blockade that has spread from oil and gas to metals, wood, industrial components and food. Soviet officials deny that food is being withheld, but they say the embargo may extend to any goods that could be sold for for-

'It is like we are celebrating a holiday.'

ign currency or require imported parts.

"The center has no intention of bringing anyone to his knees," Mr. Maslennikov said today.

"Yesterday, somebody from Lithuania was saying 'I'd rather die than sacrifice my freedom,'" the Kremlin spokesman added. "There is no need to sacrifice freedom. There is only how to move in that direction. They want to move yesterday. But you see, it's unrealistic."

Algirdas Brazauskas, the popular leader of the Lithuanian Communist Party and a Deputy Prime Minister, said last Friday that the republic could not withstand a prolonged economic embargo and he urged its legislature to reconsider some of the post-independence measures that have most offended Moscow, including a boycott of the Soviet military draft.

But the Lithuanian President, Vytautas Landsbergis, has said that compromises can come only after the Soviet authorities have agreed to sit down at the bargaining table.